

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

TITLE 14: COMMERCE

SUBTITLE C: ECONOMIC DEVELOPMENT

CHAPTER I: DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

PART 700

LOCAL CORONAVIRUS URGENT REMEDIATION EMERGENCY
(OR LOCAL CURE) SUPPORT PROGRAM

Section

700.10 Purpose

700.20 Definitions

EMERGENCY

700.30 GATA Requirements

700.40 Local Government Eligibility Requirements

700.50 Restrictions on the Use of Program Funds

EMERGENCY

700.60 Eligible and Ineligible Costs for Incurred Expenses

EMERGENCY

700.70 Third Party Administrator

700.80 Allocations to Units of Local Government

EMERGENCY

700.90 Certification Process for Allocations Based on Proportionate Population

EMERGENCY

700.100 Process for Reimbursement Requests Under Section 700.80(c)

EMERGENCY

700.110 Monitoring and Records Retention

700.120 Economic Support Payments Grants Program

EMERGENCY

AUTHORITY: Implementing Section 605-1045, and authorized by Sections 605-1045(a), 605-1045(c), 605-1045(e)(4) of the Department of Commerce and Economic Opportunity Law [20 ILCS 605/605-1045].

SOURCE: Emergency rules adopted at 44 Ill. Reg. 11824, effective July 2, 2020, for a maximum of 150 days; emergency amendment to emergency rule at 44 Ill. Reg. 13761, effective August 10, 2020, for the remainder of the 150 days; emergency amendment to emergency rule at 44 Ill. Reg. 17753, effective October 26, 2020, for the remainder of the 150 days; emergency rule as amended expired November 28, 2020; adopted at 45 Ill. Reg. 656, effective December 23, 2020; emergency amendment at 45 Ill. Reg. _____, effective _____, for a maximum of 150 days.

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

Section 700.20 Definitions
EMERGENCY

The following definitions are applicable to the Local Coronavirus Urgent Remediation Emergency (or Local CURE) Support Program:

"Administrative expenses" means costs associated with the administrative work necessary due to the COVID-19 public health emergency, including, but not limited to, costs related to managing the Local CURE Program and developing and managing an Economic Support Payments Grant.

"Administrative compliance expenses" means administrative expenses that are related to eligible uses of funds under the Local CURE Program (see Sections 700.50(a) and 700.60) and are necessary for a local government to comply with the requirements of the CARES Act or Local CURE Program. These expenses would include, for example, a reasonably proportionate share of the expenses incurred to comply with the Single Audit Act (31 USC 7501 through 7507) and for reporting and recordkeeping requirements imposed by the CARES Act or Local CURE Program.

"Business" means a for-profit enterprise or non-profit organization lawfully conducting business in Illinois. This term does not include any business that is prohibited from receiving funds under section 5001(b) of the CARES Act.

"Business Interruption Grant Program" or "BIG Program" means the financial assistance program funding opportunities administered by the Department and implemented in 14 Ill. Adm. Code 690. (See 20 ILCS 605/605-1050.)

"Business participant" means the business that receives financial assistance under the economic support payments grant program.

"CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act (42 USC 801).

"Certified Public Health Department" means a unit of local government that is a local public health department certified by the Illinois Department of Public Health.

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

"Cost of business interruption" means the following costs incurred during the allowed time period set forth in the Local CURE Program and posted on the Department's website:

decreases in revenue caused by closing or limiting access to the business establishment to comply with COVID-19 prevention directives or to otherwise prevent the spread of COVID-19 within the business establishment;

decreases in revenue caused by decreased customer demand as a result of the COVID-19 emergency; or

other revenue reductions approved for reimbursement from the CRF by the U.S. Department of the Treasury.

"COVID-19" means the novel coronavirus disease deemed COVID-19 by the World Health Organization on February 11, 2020 [20 ILCS 605/605-1045(d)(1)].

"CRF" means the Coronavirus Relief Fund established by the CARES Act.

"Department" means the Department of Commerce and Economic Opportunity.

"Disproportionately impacted area" means those ZIP Codes most severely affected by the COVID-19 Crisis, to be determined based on positive COVID-19 case per capita rates, and high rates in at least one of the following poverty-related categories relative to other ZIP Codes within their region:

share of population consisting of children age 6 to 17 in households with income less than 125% of the federal poverty level (FPL);

share of population consisting of adults over age 64 in households with income less than 200% FPL;

share of population in household with income less than 150% FPL; and

share of population consisting of children ages 5 and under in households with income less than 185% FPL.

"Economic Support Payments Grants" means grants applied for and issued to units of local government under Sections 700.80(e) and 700.120 to provide

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

financial support to businesses that have experienced interruption of business attributable to the COVID-19 public health emergency.

"GATA" means the Grant Accountability and Transparency Act [30 ILCS 708].

"GATA Rule" means 44 Ill. Adm. Code 7000.

"Incurred":

in relation to expenses for funding allotments received by local governments under Section 700.80(a), (b) or (c), means services were performed for or goods were received by units of local government to respond directly to the COVID-19 public health emergency.

in relation to the Economic Support Payments Grants Program, means:

expenditures by the local government associated with economic support in connection with the COVID-19 public health emergency; or

in reference to businesses, the cost of business interruption due to the COVID-19 public health emergency during the allowed time period for incurring costs set forth in the Local CURE Program and posted on the Department's website.

"LGDF formula" means the Local Government Distributive Fund formula established by the Illinois Department of Revenue.

"Local CURE Program" means the Local Coronavirus Urgent Remediation Emergency (or Local CURE) Support Program (see 20 ILCS 605/605-1045).

"Local government" or "unit of local government" means any unit of local government as defined in Article VII, Section 1 of the Illinois Constitution [20 ILCS 605/605-1045(d)(2)].

"Local Health Protection Grant Program formula" means the methodology established by the Illinois Department of Public Health (see 77 Ill. Adm. Code 615.210).

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

"Necessary expenditure" means an expenditure of funds that is eligible for reimbursement from CRF and necessary to:

respond to the COVID-19 public health emergency, including, but not limited to, expenditures incurred to allow local governments to respond directly to the emergency, such as by addressing medical or public health needs of the local governments or local businesses; or

reimburse the cost of business interruption.

"Non-profit organization" means an organization that is registered as a non-profit corporation with the Illinois Secretary of State.

"Participating" means that a municipality, county, certified local public health department or other local government, as applicable, is receiving Local CURE Program allotments under Section 700.80(a), (b) or (c).

"Public health employees" means:

local government employees involved in providing:

medical and other health services to patients, including supervisory personnel, and including medical staff assigned to schools, prisons, and other such institutions; or

other support services essential for patient care (e.g., laboratory technicians); and

employees of public health departments who:

are directly engaged in matters related to public health; or

serve as related supervisory personnel.

"Public safety employees" means local government employees, including police officers, sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support public safety employees, such as dispatchers and supervisory personnel.

"Qualifying business" means a business or organization that experienced or is

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

experiencing business interruption due to the COVID-19 public health emergency and for which provision of financial assistance under the Economic Support Payments Grants Program is eligible for reimbursement as prescribed by section 601(a) of the Social Security Act (42 USC) as added by section 5001 of the CARES Act, or other federal legislation addressing the COVID-19 emergency. A qualifying business includes self-employed individuals and independent contractors.

"Restore Illinois Plan" means the framework announced by the Governor of the State of Illinois to safely reopen Illinois in 5 phases, with any modifications to that plan.

"Substantially dedicated use" means the payroll and benefits expenses for local government employees whose services were focused on mitigating or responding to the COVID-19 public health emergency. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to COVID-19. The full amount of payroll and benefits expenses of substantially dedicated local government employees are eligible for reimbursement under the Local CURE Program. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to COVID-19 are also included. In accordance with guidance from the U.S. Department of the Treasury, a local government may presume that public health employees and public safety employees meet the substantially dedicated use test unless the chief executive (or equivalent) of the local government determines that specific circumstances indicate otherwise. Thus, if this presumption applies, all work performed by public health and public safety employees is considered to be a substantially different use than accounted for in the most recently approved budget as of March 27, 2020.

"Substantially different use" means costs that include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget, but that, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. A public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. Included within the category of substantially different uses are payroll and benefits expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

COVID-19 public health emergency.

"Third party administrator" means a service provider selected by the Department to provide operational assistance with the administration of the Local CURE Program [20 ILCS 605/605-1045(d)(3)].

(Source: Amended by emergency rulemaking at 45 Ill. Reg. _____, effective _____, for a maximum of 150 days)

**Section 700.50 Restrictions on the Use of Program Funds
EMERGENCY**

- a) The Local CURE Program expenditures must follow the requirements of the CARES Act. Accordingly, payments to local governments under the Local CURE Program may only be used to cover costs that:
 - 1) Are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
 - 2) Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the local government; and
 - 3) Were incurred during the allowed time period set forth in the Local CURE Program statute [20 ILCS 605/605-1045] and posted on the Department's website.

- b) The uses of program funds set forth in subsection (a) will be modified by the Department, in accordance with the IAPA, if:
 - 1) the CARES Act, or the U.S. Department of the Treasury guidance, or other applicable federal law authorizes different categories of eligible uses that affect the administration of the Local CURE Program;
 - 2) eligible uses are consistent with the applicable State laws; and
 - 3) Local CURE Program funds remain unspent at the time of the changes in the eligible uses of funds.

(Source: Amended by emergency rulemaking at 45 Ill. Reg. _____,

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

effective _____, for a maximum of 150 days)

**Section 700.60 Eligible and Ineligible Costs for Incurred Expenses
EMERGENCY**

- a) Funding Allotments Under Section 700.80(a), (b) and (c)
 - 1) Eligible incurred expenses for funding allotments received under Section 700.80(a), (b) and (c) include the following five categories of costs and meet the restrictions on use of Local CURE Program funds (see Section 700.50):
 - A) Medical expenses, including, but not limited to, expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, costs of providing COVID-19 testing, and emergency medical response expenses;
 - B) Public health expenses, including, but not limited to, expenses for communication and enforcement by local governments of public health orders related to COVID-19;
 - C) Payroll expenses for public safety, public health, health care, human services, and similar employees whose services were substantially dedicated to mitigating or responding to COVID-19;
 - D) Expenses for actions taken to facilitate compliance with COVID-19 related public health measures, including purchases by local governments to implement public health recommendations at local businesses; and
 - E) Any other COVID-19 related expenses reasonably necessary to the function of government that satisfy the Local CURE Program eligibility criteria (see Section 700.40), including, but not limited to, administrative expenses. Local governments must document how expenses are related to COVID-19.
 - 2) Ineligible costs for incurred expenses by local governments for funding allotments received under Section 700.80(a), (b) and (c) include the following:

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- A) Governmental revenue shortfall replacement, unless applicable federal law or guidance allows for these expenses;
 - B) Damages covered by insurance;
 - C) Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency or whose work is not an eligible administrative expense;
 - D) Expenses associated with the provision of economic support in connection with COVID-19, except for eligible administrative expenses;
 - E) Reimbursement to donors for donated items or services;
 - F) Workforce bonuses other than hazard pay or overtime;
 - G) Severance pay;
 - H) Legal settlements;
 - I) Indirect costs; and
 - J) Incurred expenses that have been or will be reimbursed through another State or federal funding opportunity.
- b) Economic Support Payments Grants under Sections 700.80(e) and 700.120
- 1) The following business types are excluded from receiving funding from Economic Support Payments Grants:
 - A) a private club or business that limits membership for reasons other than capacity;
 - B) a government-owned business entity (except for businesses owned or controlled by a Native American tribe);

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- C) a business that derives at least 33% of its gross annual revenue from legal gambling activities, unless, subject to the Department's approval, the business is a restaurant with gaming terminals;
 - D) a business engaged in pyramid sales, in which a participant's primary incentive is based on the sales made by an ever-increasing number of participants; or
 - E) payday lenders.
- 2) A business shall be ineligible to receive funding through an Economic Support Payments Grant if it:
- A) is delinquent on payment of any State of Illinois tax obligation;
 - B) is engaged in a business that is unlawful under Illinois or federal law;
 - C) has already received assistance, or notice of award of assistance, under the BIG Program;
 - D) is on the federal System for Award Management excluded parties list; or
 - E) does not meet any other eligibility criteria established in a financial assistance application.
- 3) Eligible incurred expenses for the Economic Support Payments Grants must meet the restrictions on the use of Local CURE Program funds (see Section 700.50) and reimburse the cost of business interruption.
- 4) Ineligible expenditures under the Economic Support Payments Grants include:
- A) expenses that have been or will be reimbursed under any State, local, or federal program, such as expenses or losses that were reimbursed by a loan forgiven under the CARES Act's Paycheck Protection Program;
 - B) damages covered by insurance;

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- C) expenditures prohibited by section 5001(b) of the CARES Act;
 - D) reimbursement to donors for donated items or services;
 - E) workforce bonuses other than hazard pay or overtime;
 - F) severance pay;
 - G) legal settlements;
 - H) indirect costs;
 - I) administrative expenses of the local government, except that administrative expenses related to the Economic Support Payments Grants may be reimbursed only through funding received by the local governments under Section 700.80(a); and
 - J) any other expense not reasonably incurred due to the COVID-19 emergency.
- c) The categories of eligible and ineligible expenditures set forth in this Section will be modified by the Department, in accordance with the IAPA, if:
- 1) the CARES Act, or the U.S. Department of the Treasury guidance, or other applicable federal law authorizes different eligible expenditures that affect the administration of the Local CURE Program;
 - 2) expenditures are consistent with the applicable State laws; and
 - 3) Local CURE Program funds remain unspent at the time of such changes in the eligible uses of funds.

(Source: Amended by emergency rulemaking at 45 Ill. Reg. _____, effective _____, for a maximum of 150 days)

**Section 700.80 Allocations to Units of Local Government
EMERGENCY**

- a) A portion of the funds (80%) appropriated for the Local CURE Program will be

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

allotted to municipalities and counties based on proportionate population. In consultation with the Illinois Department of Revenue, the method of distribution for this allotment will be utilizing the LGDF formula.

- b) A portion of the funds (5%) appropriated for the Local CURE Program will be allotted to Certified Local Public Health Departments based on the Illinois Department of Public Health's State Fiscal Year 2020 Local Health Protection Grant program formula that is based on proportionate population and poverty rates within the jurisdiction.
- c) A portion of the funds (6%) appropriated for the Local CURE Program will be allotted for units of local government eligible to receive financial support under this Part, that do not qualify for an allotment under subsection (a) or (b). These units of local government can apply for reimbursement for eligible Local CURE Program expenses up to an amount of county allotment set by the Department, based on a funding availability. The Department will allot funds on a per capita basis by county. Applications may be submitted for a pro rata share with preference going to units of local government located or serving a disproportionately impacted area. If additional funds remain in the portion of funds described in this subsection (c) after the application process has been completed and funds have been allocated, the Department may provide an additional allotment to those local governments that have received their entire initial allotment as of January 31, 2021 and request a need for additional funds. If, by June 30, 2021, local governments that received allotments under this subsection (c) have not submitted requests for reimbursement for the entirety of the allotments, the Department may, at its option, either reallocate the unused portion of the allotments to other local governments that have received funding under this subsection (c) and have a need for additional funds, or the Department may host a new application to distribute the unused funds pursuant to the procedures set forth in Section 700.100. Units of local government that qualify for an allotment under subsection (a) or (b) cannot receive an allotment under this subsection (c).
- d) The Local CURE Program allotments described in this Section are contingent upon and subject to the availability of sufficient appropriated funds.
- e) A portion of the funds (9%) appropriated for the Local CURE Program will be allocated by the Department as follows:
 - 1) 8% will be allocated for Economic Support Payments Grants, on a

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

reimbursement basis, to eligible municipalities and counties (see Section 700.40(b)) for distribution to qualifying businesses within their jurisdiction to cover *necessary expenditures incurred due to the public health emergency of COVID-19* [20 ILCS 605/605-1045(f)(1)] (see Section 700.120); and

- 2) 1% will be allocated for the costs of the Department associated with the administration of the Local CURE Program, including the third party administrator contract fee.

(Source: Amended by emergency rulemaking at 45 Ill. Reg. _____, effective _____, for a maximum of 150 days)

**Section 700.90 Certification Process for Allocations Based on Proportionate Population
EMERGENCY**

- a) Eligible local governments, as defined in Section 700.40, will be notified by the Department or third party administrator regarding their maximum allotment based on proportionate population, as described in Section 700.80(a) and (b). A local government does not need to register or be pre-qualified with the GATA Grantee Portal.
- b) Notification of Allotment
 - 1) The notification of allotment will contain a certification form for the local government to complete. The local government will be required to certify, among other things, that, as a recipient of financial support under the Local CURE Program, the local government will:
 - A) use the funds in accordance with the requirements of the Local Cure Program;
 - B) provide access to financial records in accordance with the prescribed audit (see Section 700.30(b)(3)) and record retention (see Section 700.110) requirements;
 - C) only request reimbursement for expenses related to the COVID-19 public health emergency;

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- D) repay to the Department any funds received but not used for the purposes of the Local CURE Program;
 - E) not seek reimbursement for incurred expenses (see Section 700.50) that have been or will be reimbursed through another State or federal funding opportunity;
 - F) comply with all applicable federal and State laws and rules;
 - G) include Local CURE funding in the applicable financial statement and/or audit of the unit of local government;
 - H) not seek reimbursement for costs paid to an entity on the federal or State debarred and suspended list; and
 - I) state whether it intends to spend the full allotment.
- 2) Units of local government may also be required to complete additional documents required by the Illinois Comptroller and State Treasurer to disburse funds.
- c) Completed certification materials must be signed by the local government's authorized representative and received by the Department, or the Department's authorized third party administrator.
- d) Funds will be paid on a reimbursement basis for eligible costs incurred by units of local government. After the local government submits its completed certification to the Department or the third party administrator, the local government may request funds up to the amount of the stated allotment provided in the notification. To request funds, the local government must submit to the Department or third party administrator:
- 1) a report certifying the costs, as required by 2 CFR 200.415, and providing the categories set forth in the U.S. Department of the Treasury Office of Inspector General reporting requirements for which reimbursement is sought and the amounts within each category. Local governments shall organize their expenditures by month and expenditure type as follows:
 - A) Payroll for public health and public safety employees;

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- B) Budgeted personnel and services diverted to a substantially different use;
 - C) COVID testing and contact tracing;
 - D) Expenses associated with the issuance of tax anticipation notes;
 - E) Food programs;
 - F) Nursing home assistance;
 - G) Personal protective equipment;
 - H) Improvement of telework capabilities of public employees;
 - I) Medical expenses;
 - J) Public health expenses;
 - K) Facilitation of distance learning;
 - L) Administrative expenses;
 - M) Housing support;
 - N) Unemployment Benefits;
 - O) Workers' Compensation; and
 - P) Expenditures organized by subcategories for eligible costs (see Section 700.60(a)(1)) not listed in this subsection (d)(1);
- 2) information regarding whether the local government intends to use its full allotment of funds and whether the local government anticipates additional Local CURE Program eligible costs, incurred by December 30, 2020, that exceed the local government's allotment;
 - 3) support documents for the incurred expenses to demonstrate that the costs meet the eligible expense requirements;

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- 4) proof of payment of the expenses; and
 - 5) documentation regarding how expenses are necessary and related to COVID-19.
- e) The Department or third party administrator will review the documents submitted to ensure the costs are allowed by the Local CURE Program and within the assigned allocation. If the costs submitted are approved, the Department will then process the reimbursement request and disburse funds to the local government pursuant to the payment procedures of the Illinois State Comptroller and State Treasurer.
- f) A Certified Local Public Health Department may, at its option, voluntarily transfer all, or a portion of, its allotment to the county or counties in which it is located as long as the county or counties are eligible under Section 700.40. To transfer all, or a portion of, an allotment, a Certified Local Public Health Department must submit to the Department or its third party administrator all relevant documentation, including, but not limited to, a copy of an executed intergovernmental agreement between the local governments, that demonstrates agreement to the transfer of the allotment by the appropriate authorized personnel of both the Certified Local Public Health Department and the county or counties, as applicable. If, after reviewing the documentation, the Department approves the allotment transfer, each county receiving an allotment transfer must complete and submit a supplemental certification that includes the additional allotment amount. The county or counties receiving the transfer of funds may then request the additional funds as set forth in this Section.
- g) A county may, at its option, voluntarily transfer all or a portion of its allotment to the Certified Local Public Health Departments serving that county as long as the Certified Local Public Health Departments are eligible under Section 700.40. To transfer all or a portion of an allotment, a county must submit to the Department or its third party administrator all relevant documentation, including, but not limited to, a copy of an executed intergovernmental agreement between the local governments, that demonstrates agreement to the transfer of the allotment by the appropriate authorized personnel of both the Certified Local Public Health Departments and the county. If, after reviewing the documentation, the Department approves of the allotment transfer, each Certified Local Public Health Department receiving an allotment transfer must complete and submit a supplemental certification that includes the additional allotment amount. The Certified Local Public Health Departments receiving the transfer of funds may

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

then request the additional funds as set forth in this Section.

- h) On or around November 1, 2020, the Department, or its third party administrator, will send a notice to each local government participating in the Local CURE Program indicating that the local government must report by December 1, 2020, in detail, how the remainder of the allotment, not to exceed the amount within the certification, will be utilized for necessary and eligible expenditures through December 30, 2020. The local government also must detail in its report any anticipated eligible expenses through December 30, 2020 in excess of the local government's initial allotment. Finally, the local government will be asked to report on any anticipated administrative compliance expenses that it may incur after December 30, 2020 but prior to February 28, 2021. The Department or its third party administrator will provide follow-up and technical support to the local government to communicate the steps of this report.
- i) January 31, 2022 is the deadline for local governments that receive allotments of funds as described in Section 700.80(a) and (b) to submit requests for reimbursement for costs incurred to the Department's third party administrator for review.
- j) All requests for reimbursement will be processed, and vouchers will be issued by the Department and/or the third party administrator, on or before March 31, 2022.
- k) The deadlines set forth in this Section 700.90 will be extended by the Department, in accordance with the IAPA, if:
 - 1) the CARES Act, or the U.S. Department of the Treasury guidance, or other applicable federal law authorizes a subsequent deadline;
 - 2) the extension is consistent with the applicable State laws; and
 - 3) any Local CURE Program funds remain unspent at the time of the deadline extension.
- l) Local governments are expected to engage with the Department and/or the third party administrator on an ongoing basis, with updates and reports on their future needs for the unspent balances of their allotment, as well as additional anticipated Local CURE Program eligible expenditures in excess of the allotment received.

(Source: Amended by emergency rulemaking at 45 Ill. Reg. _____,

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

effective _____, for a maximum of 150 days)

**Section 700.100 Process for Reimbursement Requests Under Section 700.80(c)
EMERGENCY**

- a) For local governments that are applying for Local CURE Program funds pursuant to Section 700.80(c), the Department will announce funding availability and request procedures on its website as funding becomes available. A request must be completed, signed by the local government's authorized representative, and received by the Department or its third party administrator by the deadline to be set by the Department.
- b) Local governments chosen to receive funds shall, in the certification form provided by the Department, certify, among other things, that, as a recipient of financial support under the Local CURE Program, the local government will:
 - 1) use the funds in accordance with the requirements of the Local CURE Program;
 - 2) only request reimbursement for expenses related to the COVID-19 public health emergency;
 - 3) repay to the Department any funds received but not used for the purposes of the Local CURE Program;
 - 4) not seek reimbursement for incurred expenses (see Section 700.50) that have been or will be reimbursed through another State or federal funding opportunity;
 - 5) provide access to financial records in accordance with audit and record retention requirements;
 - 6) include Local CURE funding in the applicable financial statement and/or audit of the local government;
 - 7) not seek reimbursement for costs paid to an entity on the federal or State debarred and suspended list; and
 - 8) comply with all applicable federal and State laws and rules.

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- c) In addition to the certification, to receive funds the local government must submit to the Department or third party administrator:
 - 1) a report certifying its costs as required by 2 CFR 200.415, detailing the categories set forth in the U.S. Department of the Treasury Office of Inspector General reporting requirements for which reimbursement is sought and the amounts within each category. Local governments shall organize their expenditures by month and expenditure type as follows:
 - A) Payroll for public health and public safety employees;
 - B) Budgeted personnel and services diverted to a substantially different use;
 - C) COVID testing and contact tracing;
 - D) Expenses associated with the issuance of tax anticipation notes;
 - E) Food programs;
 - F) Nursing home assistance;
 - G) Personal protective equipment;
 - H) Improvement of telework capabilities of public employees;
 - I) Medical expenses;
 - J) Public health expenses;
 - K) Facilitation of distance learning;
 - L) Administrative expenses;
 - M) Housing support;
 - N) Unemployment Benefits;
 - O) Workers' Compensation; and

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- P) Expenditures organized by subcategories for eligible costs (see Section 700.60(a)(1)) not listed in this subsection (c)(1);
 - 2) information regarding whether the local government intends to use its full allotment of funds and whether the local government anticipates additional Local CURE Program eligible costs, incurred by December 30, 2020, that exceed the local government's allotment;
 - 3) support documents for the expenses incurred in compliance with Section 700.60 that will demonstrate the costs meet the eligible expense requirements;
 - 4) proof of payment of the expenses for which reimbursement is sought; and
 - 5) documentation regarding how expenses are necessary and related to COVID-19.
- d) The Department or third party administrator will review the reimbursement request and documents submitted to ensure the costs are allowed by the Local CURE Program and are within the assigned allocation. If the costs submitted are approved, the Department will then process the reimbursement request and disburse funds to the local government pursuant to the payment procedures of the Illinois Comptroller and State Treasurer.
 - e) Local governments receiving allotments pursuant to Section 700.80(c) shall follow the reporting procedures and deadlines set forth in Section 700.90(h).
 - f) January 31, 2022 is the deadline for local governments that receive allotments of funds as described in Section 700.80(c) to submit requests for reimbursement for costs incurred to the Department's third party administrator for review.
 - g) All requests for reimbursement will be processed, and vouchers will be issued by the Department and/or the third party administrator, on or before March 31, 2022.
 - h) The deadlines set forth in this Section will be extended by the Department, in accordance with the IAPA, if:
 - 1) the CARES Act, or the U.S. Department of the Treasury guidance, or other applicable federal law or guidance authorizes a subsequent deadline;

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- 2) the extension is consistent with the applicable State laws; and
 - 3) any Local CURE Program funds remain unspent at the time of the deadline extension.
- i) Local governments are expected to engage with the Department and/or the third party administrator on an ongoing basis, with updates and reports on their future needs for the unspent balances of their allotment, as well as additional anticipated Local CURE Program eligible expenditures in excess of the allotment received.

(Source: Amended by emergency rulemaking at 45 Ill. Reg. _____, effective _____, for a maximum of 150 days)

**Section 700.120 Economic Support Payments Grants Program
EMERGENCY**

The Department will administer an Economic Support Payments Grants Program available to eligible local governments (see Section 700.40(b)) through Local CURE Program funding allocated for this purpose (see Section 700.80(e)(1)). The purpose of the grant program is to provide financial support to businesses that have experienced interruption of business attributable to the COVID-19 public health emergency. The funds issued to local governments for the Economic Support Payments Grants shall be provided on a reimbursement basis only and shall follow all processes required by GATA and 2 CFR 200. Local governments that receive grants may be reimbursed for costs incurred by the qualifying businesses during the allowed time period set forth in the Local CURE Program and posted on the Department's website.

- a) **Form of Financial Assistance**
Financial assistance provided by local governments to qualifying businesses may be in the form of a grant, subsidy or expense reimbursement only. Regardless of the form of assistance, a business participant shall be obligated to comply with the requirements set forth in this Part and in any agreement or certification executed as part of applying for or receiving financial assistance.
- b) **Source of Advance Payments**
Funds provided to business participants by local governments for the costs of business interruption shall be advanced by the local governments from a source other than direct federal funds or federal pass-through funds, including, but not limited to, any portion of the allotments received through Section 700.80(a). The Department will then reimburse the local governments for expenditures incurred through an Economic Support Payments Grant.

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- c) Application Process
- 1) The Department will post one or more Notices of Funding Opportunity (NOFO) on the GATA Grantee Portal seeking applications from eligible local governments (see Section 700.40(b)). The Department may accept several rounds of applications through a single NOFO. A local government may apply for multiple funding rounds. However, a local government may only submit one application per funding round. Applicants shall submit their application materials by the deadlines set by the Department.
 - 2) As part of the application, local governments will be required to provide a narrative about the program, which shall include, but is not limited to, a description of the following:
 - A) The types of businesses or industries that will be served by the program;
 - B) The method of selecting business participants;
 - C) A summary of how the proposed grant program adheres to the U.S. Department of the Treasury's CRF guidance;
 - D) How the program meets the following criteria for reimbursable expenses:
 - i) The expense is connected to the COVID-19 public health emergency;
 - ii) The expense is "necessary" as defined by the U.S. Department of the Treasury guidance;
 - iii) The expense is not filling a shortfall in government revenues;
 - iv) The expenses were not accounted for in the budget most recently approved as of March 27, 2020;

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- v) The expense is not being reimbursed through a different emergency response program;
 - vi) The expense would not exist without the COVID-19 public health emergency or would be for a substantially different use; and
 - vii) The expense was incurred during the allowed time period set forth in the Local CURE Program and posted on the Department's website and the NOFO;
- E) The form of financial assistance being provided to businesses (e.g., grants, subsidies, expense reimbursement); and
- F) The due diligence procedures and controls the local government will implement to ensure funds are expended within the parameters of this Part, the CARES Act, and the U.S. Department of the Treasury guidance.
- 3) Local governments are permitted to receive reimbursements for administrative expenses for administering these grants by requesting reimbursement from their allotments received pursuant to Section 700.80(a) only. Local governments are not permitted to receive reimbursements for administrative expenses directly from the Economic Support Payments Grants.
- 4) Local governments are not permitted to receive reimbursements for indirect costs related to the Economic Support Payments Grants.
- 5) Grant applications will be reviewed using the GATA merit-based review process to ensure applicants meet the eligibility requirements of this Part.
- d) Grant Award Issuance
- 1) Grants will be awarded to local governments following a merit review of the local government's economic support payments program, including their due diligence procedures and adherence to subsection (c). If a local government applicant meets the eligibility criteria in subsection (c), the local government shall receive a grant of up to the maximum amount of

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

eligible grant funds if grant funds are still available at the time of application.

- 2) The maximum amount of eligible grant funds for each local government shall be based on a pro rata share of funds available at the time of application as set forth in the NOFO, based on the populations of the eligible geographic regions set forth in the State's Restore Illinois Plan (see Restore Illinois regions, available at <https://coronavirus.illinois.gov/s/restore-illinois-regional-dashboard>).
 - 3) If a local government grantee has expended or will expend all funds awarded under its Economic Support Payments Grant and grant funds are available, the local government may request from the Department that additional funds be added to its grant award. The local government must also submit supporting information or documentation demonstrating that it will expend its full initial award and that there is a need for the additional funds. The Department has no obligation to agree to an increase of funds requested by a local government.
 - 4) If a geographic region's allotted share of funds has not been awarded in full by December 1, 2020, the Department may reallocate funds to other regions for which there remains a need.
 - 5) Grants will be issued through the GATA Uniform Intergovernmental Grant Agreement, which must be executed by both the Department and the local government.
 - 6) The local government grantees will be responsible for the repayment to the Department of any costs for funding issued to businesses that are found, by the federal government, the Department, or any other State agency:
 - A) to be ineligible under the Economic Support Payments Grants Program; or
 - B) to have misspent funds.
- e) Grant Award Administration

ILLINOIS REGISTER

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF EMERGENCY AMENDMENTS

- 1) Grantees and business participants shall comply with all GATA and Department requirements for grant administration and reporting, including the monitoring and records retention requirements in Section 700.110.
- 2) Grantees shall:
 - A) require that all business participants that receive financial support through the grant award shall sign a certification that attests to eligibility for this program; and
 - B) condition funding on compliance with programmatic requirements, including, but not limited to, the Local CURE Program, the CARES Act, and the U.S. Department of the Treasury guidance.

(Source: Amended by emergency rulemaking at 45 Ill. Reg. _____, effective _____, for a maximum of 150 days)